

IR-2016-45 -- IRS Criminal Investigation -- Top 10 ID Theft Prosecutions

Message



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IRS's Top 10 Identity Theft Prosecutions: Criminal Investigation Continues Efforts to Halt Refund Fraud

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WASHINGTON — As part of the continued crackdown on refund fraud and identity theft, the Internal Revenue Service today released the Top 10 Identity Theft Prosecutions for Fiscal Year 2015. These prosecutions are part of the wide-ranging strategy to combat refund fraud and assist taxpayers through detection, prevention and resolving identity theft cases in a timely manner.

"The IRS continues fighting identity theft on several fronts, including the Security Summit initiative where we have joined with the states and the nation's tax industry to beef up prevention and detection of fraudulent returns," said IRS Commissioner John Koskinen. "These efforts go hand-in-hand with our important Criminal Investigation work, where our agents continue working to bring identity thieves to justice across the nation."

In addition, the IRS continues to promote its "Law Enforcement Targeted" campaign, a joint effort between the IRS, states and the private-sector tax industry. The collaboration is designed to raise taxpayer awareness about taking simple steps on the Internet and their personal devices to protect the safety of their financial and tax data. The education campaign complements the expanded series of important new protections the IRS, states and tax industry put in place for the 2016 filing season to address tax-related identity theft.

"Identity theft has shifted from small-time thieves to multinational criminal enterprises that mine the internet for personal information that is stolen,

collected and sold to other criminals," said Richard Weber, Chief, IRS Criminal Investigation. "IRS CI Special Agents are the best at unraveling the threads holding these schemes together. Along with our partners in the public and private financial sectors, we are dismantling these crooked enterprises and enforcing our nation's tax laws."

In fiscal year 2015, the IRS initiated 776 identity theft related investigations, which resulted in 774 sentencing through Criminal Investigation enforcement efforts. The courts continue to impose significant jail time with the average months to serve in FY 2015 at 38 months — the longest sentencing being over 27 years.

The summary of the following 10 identity theft cases in states including Alabama, Florida, Georgia and New Jersey is based on public information available in court cases:

Top 10 Identity Theft Cases

Tampa Tax Fraudster and Wife Sentenced in Massive Identity Theft Tax Fraud Scheme

On June 19, 2015, James Lee Cobb III, was sentenced to 324 months in prison, five years of supervised release and ordered to forfeit \$1,820,759 in a money judgment and to pay restitution in the same amount. On June 30, 2015, Cobb's wife, Eneshia Carlyle, was sentenced to 138 months in prison and three years of supervised release for wire fraud and aggravated identity theft. In addition, Carlyle received a forfeiture money judgment in the amount of \$1,820,759 and was ordered to pay restitution in the same amount. Cobb and Carlyle pleaded guilty to conspiracy to commit mail fraud, wire fraud and aggravated identity theft. In addition, Cobb pleaded guilty for being a felon in possession of a firearm as an armed career criminal. Cobb and Carlyle conspired with others to use stolen names, dates of birth and Social Security numbers to file false tax returns and open pre-paid debit cards. From 2011 through November 2013, Cobb and his co-conspirators filed false tax returns claiming approximately \$3 million in refunds. During the execution of a search warrant at their residence, law enforcement officers recovered lists and medical records containing the personal identifying information of more than 7,000 victims. At the time of this offense, Cobb was on supervised release from a prior federal conviction.

Nine Defendants Sentenced in \$24 Million Stolen Identity Tax Refund Fraud Ring

On Sept. 25, 2015, in Montgomery, Ala., Keisha Lanier, of Newnan, Ga., was sentenced to 180 months in prison, three years of supervised release and ordered to forfeit \$5,811,406 for her role as the ringleader of a stolen identity tax refund fraud (SIRF) conspiracy. Between January 2011 and December 2013, Lanier and co-conspirator, Tracy Mitchell, led a large-scale identity theft ring that filed more than 9,000 false individual federal income tax returns that claimed more than \$24 million in fraudulent claims for tax refunds. The IRS paid out close to \$10 million in refunds on these fraudulent claims. The defendants obtained the stolen identities from various sources, including from the U.S. Army, several Alabama state agencies, a Georgia call center and employee records from a Georgia company. In order to file the false tax returns, the defendants obtained several IRS Electronic Filing Numbers in the names of sham tax businesses. The defendants directed the IRS to pay the anticipated tax refunds to prepaid debit cards, buy U.S. Treasury checks and to financial institutions, which in turn issued the tax refunds via prepaid debit cards or checks. When the refunds were sent through the financial institutions, the defendants simply printed out the refund checks from the check stock that had been sent to their homes. After the financial institutions stopped the defendants from printing out the tax refund checks, the defendants recruited U.S. Postal Service employees. The corrupt postal employees gave the defendants specific addresses along their postal routes for mailing the U.S.

Treasury checks. Once the checks came to the address, the postal employees took the checks and turned them over to the defendants for a fee. The scheme also involved a complex money laundering operation. Almost \$10 million in fraudulent tax refund checks were cashed at several businesses located in Alabama, Georgia and Kentucky. In Alabama on Aug. 7, 2015 eight residents of Alabama and Georgia were sentenced for their roles in the conspiracy:

- Tracy Mitchell was sentenced to 159 months in prison and ordered to pay a forfeiture judgment in the amount of \$329,242, which was seized in cash from her residence;
- Talarius Paige was sentenced to 60 months in prison and ordered to pay \$762,512 in restitution to the IRS;
- Mequetta Snell-Quick was sentenced to 24 months and one day in prison and ordered to pay \$199,471 in restitution to the IRS;
- Latasha Mitchell was sentenced to 36 months in prison and ordered to pay \$513,821 in restitution to the IRS;
- Dameisha Mitchell was sentenced to 65 months in prison and ordered to pay \$440,176 in restitution to the IRS;
- Sharonda Johnson was sentenced to 24 months in prison and ordered to pay \$440,176 in restitution to the IRS;
- Patrice Taylor was sentenced to 12 months and one day in prison and ordered to pay \$28,783 in restitution to the IRS; and
- Cynthia Johnson was sentenced to two years of probation and ordered to pay \$5,047 in restitution to the IRS.

Florida Man Sentenced for Stolen ID Theft Scheme, Obstruction of Justice

On Aug. 11, 2015, in Richmond, Va., Eddie Blanchard, of Miami, was sentenced to 204 months in prison, three years of supervised release and ordered to pay \$568,625 in restitution for his role in a stolen identity tax refund fraud scheme. Blanchard participated in the Miami-based scheme with Ramoth Jean, Junior Jean Merilia and Jimmy Lord Calixte. The men travelled repeatedly to Richmond in the early part of 2012 and used stolen personal identifying information (PII) to file hundreds of fraudulent tax returns, utilizing online tax preparation programs. The men claimed significant refunds on the fraudulent returns and requested the refunds be placed on pre-paid debit cards, which were later mailed to Richmond addresses selected by the conspirators. The scheme began to unravel when a Virginia police officer encountered Jean removing a box containing stolen PII from a storage unit rented by the co-conspirators. Following Jean's subsequent arrest, Blanchard convinced him to mislead federal investigators about the identity of his actual co-conspirators, going so far as to facilitate the creation of a fictional accomplice. Jean was sentenced on Jan. 9, 2014, to 114 months in prison and subsequently sentenced to an additional eight months on a separate contempt charge for his refusal to testify before the grand jury. Merilia was sentenced on June 19, 2015, to 133 months in prison for his role in the fraud scheme and the subsequent obstruction of justice. Calixte is currently a fugitive.

Ringleader and Conspirators Sentenced in Large-Scale Stolen Identity Refund Fraud Scheme

On July 21, 2015, in Newark, N.J., Julio C. Concepcion, of Passaic, was sentenced to 84 months in prison, three years of supervised release and ordered to pay \$5,643,695 in restitution. Concepcion previously pleaded guilty to conspiracy to theft of government funds. From at least October 2009 through May 2013, Concepcion and others participated in a conspiracy to obtain the personal identifying information of other individuals, including residents of Puerto Rico. Conspirators filed false and fraudulent income tax returns using the stolen information, which generated income tax refund checks. Concepcion then obtained fraudulent refund checks and recruited others to open bank accounts and deposit the checks, sometimes providing them with false

identification in order to do so. Other conspirators were sentenced as follows: Concepcion's two sons, Angel Concepcion-Vasquez and Julio Concepcion-Vasquez were each sentenced to 16 months in prison; Jose Zapata and Romy Quezada were sentenced to three years and two years of probation, respectively; and Reyes Flores-Perez was sentenced to 26 months in prison.

Four Georgia Residents Sentenced For Filing Over 1,100 Fraudulent Tax Returns

On July 27, 2015, in Albany, Ga., four defendants were sentenced for their roles in a tax refund fraud conspiracy. Patrice Taylor was sentenced to 84 months in prison and ordered to pay \$1,107,802 in restitution to the IRS. Her husband, Antonio Taylor, was sentenced to 147 months in prison and ordered to pay \$1,107,802 in restitution to the IRS. Jarrett Jones was sentenced to 20 months in prison and ordered to pay \$94,959 in restitution. Victoria Davis was sentenced to 12 months in prison and ordered to pay \$6,256 in restitution. Between January 2011 and February 2013, Patrice Taylor conspired with her husband and Jones to file over 1,100 fraudulent tax returns. At least 1,089 of the returns were filed electronically from two IP addresses registered to Patrice Taylor, both located at their home. From January 2012 to October 2012, a cell phone subscribed to Patrice Taylor was used to call the IRS's Automated Electronic Filing PIN Request 114 times. In addition, Patrice Taylor was employed at Tift Regional Hospital and used the personal identifying information of five patients to file fraudulent federal income tax returns. Also, the identities of 531 sixteen-year-olds were used to file fraudulent federal income tax returns. Finally, in January 2012, Patrice Taylor filed a federal income tax return, which included a dependent she was not authorized by law to claim, and requested a refund in the amount of \$6,776.

Fifteen Georgia Residents Sentenced In Stolen Identity and Tax Fraud Scheme

On June 23, 2015, in Statesboro, Ga., Stacy Williams, of Statesboro, was sentenced to 94 months in prison, three years of supervised and ordered to pay restitution in the amount of \$84,940. Williams was convicted by jury trial on Sept. 23, 2014 of conspiracy, wire fraud, wrongful disclosure of individually identifiable health information and aggravated identity theft. Williams was the last of 15 federal defendants charged in April 2014 for their roles in a large-scale identity theft and tax fraud scheme. In addition to Williams, the other participants convicted and sentenced as part of this prosecution include:

- Angellica Roberts: 126 months in prison;
- Katrina Beasley: 104 months in prison;
- Terry Gordon: 81 months in prison;
- Santana Lundy: 69 months in prison;
- Latasha Charles: 57 months in prison;
- Chrystal Harlie: 54 months in prison;
- Martisha Hill: 42 months in prison;
- Monica Whitfield: 42 months in prison;
- Melissa Whitfield: 40 months in prison;
- Candace Hills: 36 months in prison;
- Aishia Mills: 27 months in prison;
- Marquita Watson: 18 months in prison;
- Mary McDilda: five years of probation; and
- Deondray Richardson: five years of probation.

Alabama Woman Sentenced for Leading \$4 Million Dollar Stolen Identity Refund Fraud Ring

On June 25, 2015, in Montgomery, Ala., Tamaica Hoskins, of Phoenix City, was sentenced to 145 months in prison, three years of supervised release and ordered to forfeit \$1,082,842 in proceeds from the Stolen Identity Refund Scheme she led. Between September 2011 and June 2014, Hoskins, co-

conspirators Roberta Pyatt, Lashelia Alexander and others used stolen identities to file more than 1,000 false federal income tax returns that fraudulently claimed more than \$4 million in tax refunds. Hoskins obtained stolen identities from various sources. In order to file the false tax returns, Hoskins and Pyatt obtained two Electronic Filing Identification Numbers using sham tax businesses. On behalf of those sham tax businesses, they also applied to various financial institutions for bank products, such as blank check stock. The conspirators directed the IRS to mail U.S. Treasury checks to addresses under their control and to send the tax refunds to prepaid debit cards and financial institutions where the conspirators maintained and controlled bank accounts using the sham tax businesses. When the tax refunds were deposited into the financial institutions, the conspirators printed the refund checks using the blank check stock and cashed the refunds. In January 2014, Alexander, who worked for a Walmart check cashing center in Columbus, Georgia, was approached by several co-conspirators about cashing fraudulent tax refund checks issued in the names of third parties and in return, Alexander would receive a portion of the refunds. Alexander cashed more than \$100,000 in fraudulently obtained third-party refund checks containing forged endorsements. Alexander was sentenced to six months in prison and five years of probation and ordered to pay restitution of \$110,804 to the IRS. Pyatt received three years of probation and was ordered to pay \$88,155 in restitution to the IRS.

Tampa Woman Sentenced for Stolen Identity Refund Fraud

On Sept. 29, 2015, in Tampa, Fla., Tiffani Pye Williams was sentenced to 123 months in prison and ordered to pay \$1,533,283 in restitution to the United States Treasury for theft of government property and aggravated identity theft. From 2010 to 2014, Williams, using various aliases, participated in a scheme to defraud the IRS. As part of the scheme, she and others possessed, transferred, and used the personal identification of others, without their knowledge, to file fraudulent federal income tax returns. The fraudulently obtained tax refunds were wired from the IRS to reloadable debit cards. Williams and others then used these debit cards at various ATMs and retail stores. Investigators determined that Williams, together with others, filed more than 1,000 fraudulent tax returns using the stolen identities of approximately 991 individuals, many of whom were deceased at the time of filing. In filing these false returns, she and others claimed more than \$5.3 million in refunds, and received approximately \$1.5 million.

Final Defendants Sentenced for Stolen Identity Refund Fraud Scheme

On July 27, 2015, in Houston, Jason Maclaskey and Omar Butt were sentenced to serve 120 months and 40 months, respectively, for their roles in a scheme to steal identities and file fraudulent federal tax returns. A third defendant, Heather Dale, of Alabama, was previously sentenced to 24 months in prison. The court also ordered them to pay \$314,868 in restitution. The defendants unlawfully obtained the names, dates of birth and Social Security numbers from 371 taxpayers and used this information to file false tax returns in 2009. The defendants also used this information to set up fraudulent bank accounts and directed the tax refunds to be sent to debit cards in the taxpayers' names. The defendants then withdrew this money using the debit cards at ATMs and by making purchases at various retail stores. Through this conspiracy, the defendants claimed a total of more than \$1.4 million in false tax refunds, succeeded in withdrawing more than \$300,000 before the scheme was uncovered.

Florida Brothers Sentenced for Identity Theft Scheme

On July 31, 2015, in Miami, brothers Densom Beaucejour and Winzord Beaucejour were each sentenced to 70 months in prison, three years of supervised release and ordered to pay \$553,204 in restitution. In January 2015, a police officer reported being a victim of identity theft and that a fraudulent unemployment insurance claim had been filed in his/her name. On March 11, 2015, law enforcement agents executed a search warrant at the

defendants' residence and found documents with the personal identifying information of more than 1,000 individuals. Agents also discovered three handguns, \$8,600 in cash, and several credit cards embossed with names of individuals who did not appear to live at the residence. Approximately 365 fraudulent tax returns were filed with the IRS from the residence seeking \$413,279 in fraudulent tax refunds, as well as two fraudulent Ohio state tax returns seeking \$15,004. In total, the amount of intended loss is \$917,973.

IRS Criminal Investigation

During FY 2015, Criminal Investigation continued to dedicate significant time and resources to bringing down identity thieves attempting to defraud the federal government.

The nationwide Law Enforcement Assistance Program provides for the disclosure of federal tax return information associated with the accounts of known and suspected victims of identity theft with the express written consent of those victims. There are now more than 1,100 state/local law enforcement agencies from 48 states participating. For FY 2015, more than 6,700 requests were received from state and local law enforcement agencies.

The Identity Theft Clearinghouse (ITC) continues to develop and refer identity theft refund fraud schemes to Criminal Investigation Field Offices for investigation. Since its inception in FY 2012, it has received over 10,750 individual identity theft leads. These leads involved approximately 1.72 million returns with over \$11.4 billion in refunds claimed.

CI continues to be the lead agency that investigates identity theft and is actively involved in more than 70 multi-regional task forces or working groups including state/local and federal law enforcement agencies solely focusing on identity theft. CI continues to have one of the highest conviction rates in all of federal law enforcement — at 93.2 percent — and is the only federal law enforcement agency with jurisdiction over federal tax crimes. CI is routinely called upon to be the lead financial investigative agency on a wide variety of financial crimes including international tax evasion, identity theft and transnational organized crime.

Learn more about identity theft and what the IRS is doing to combat it at IRS.gov/identitytheft.

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